Canada Border Services Agency | Agence des services frontaliers du Canada

ISSN 2369-2391

Memorandum D19-7-4

Ottawa, May 15, 2018

Importation of Vehicles, Engines, Vessels and Machines

In Brief

1. This memorandum has been issued to reflect requirements for the importation of vehicles, engines, vessels and machines, as outlined in the *Canadian Environmental Protection Act 1999* and its regulations.
2. The Canada Border Services Agency (CBSA) assists Environment and Climate Change Canada (ECCC) in the administration of the *Canadian Environmental Protection Act, 1999* and *On-Road Vehicle and Engine Emission Regulations*, *Off-Road Compression-Ignition Engine Emission Regulations*, *Off-Road Small Spark-Ignition Engine Emission Regulations*, *Marine Spark-Ignition Engine, Vessel and Off-Road Recreational Vehicle Emission Regulations*, *Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations and Heavy-duty Vehicle and Engine Greenhouse Gas Emission Regulations*. This memorandum outlines the requirements for the importation of regulated vehicles, engines, vessels and machines.
3. The *Canadian Environmental Protection Act, 1999* and the above cited regulations prohibit the importation of certain vehicles, engines, vessels and machines unless they meet specific requirements. Companies importing regulated products are required to submit to ECCC certain information such as an importation declaration which includes a statement of conformity. Companies are also required to submit information to the CBSA to satisfy importation requirements under the *Customs Act*.

Legislation

Canada Border Services Agency Act – Sections 5(1) and 5(2)

Customs Act – Sections 12, 31, 99, 101, and 107

Canadian Environmental Protection Act, 1999 – Sections 153, 154 and 155

On-Road Vehicle and Engine Emission Regulations – Section 39 - 42.1

Off-Road Compression Ignition Engine Emission Regulations – Section 19 - 21

Off-Road Small Spark-Ignition Engine Emission Regulations – Section 19 - 22

Marine Spark-Ignition Engine, Vessel and Off-Road Recreational Vehicle Emission Regulations – Section 37 - 39

Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations – Refer to applicable sections in On-Road Vehicle and Engine Emission Regulations

Heavy-duty Vehicle and Engine Greenhouse Gas Emission Regulations – Refer to applicable sections in On-Road Vehicle and Engine Emission Regulations

Guidelines and General Information

Definitions

1. For the purpose of this memorandum, the following definitions are used:

   Vehicle: Means any prescribed self-propelled vehicle, but does not include an aircraft, rolling stock or a vessel with a marine compression-ignition engine rated at 37 kW or more, for the purpose of propulsion.

   Engine: Means any prescribed internal combustion engine, but does not include an engine designed to propel an aircraft, rolling stock or a marine compression-ignition engine rated at 37 kW or more and is designed to propel a vessel.

   Vessel: Means a boat, ship or craft, in which a fuel line or fuel tank is installed, designed to be propelled by a prescribed engine.

   Machine: Means anything, including a vehicle, device, appliance or implement, powered by a prescribed engine.

   Company: Means a person who:

   (a) is engaged in the business of manufacturing vehicles, engines, vessels or machines in Canada;
   (b) is engaged in the business of selling to other persons, for the purpose of resale by those persons, vehicles, engines, vessels or machines obtained directly from a person described in paragraph (a) or the agent of such person; or
   (c) imports any vehicle, engine, vessel or machine into Canada for the purpose of sale.

2. For further definitions and detailed description of the regulated vehicles, engines, vessels and machines, please refer to section 1 of the following regulations:

   (a) *On-Road Vehicle and Engine Emission Regulations;*

   (b) *Off-Road Compression-Ignition Engine Emission Regulations;*

   (c) *Off-Road Small Spark-Ignition Engine Emission Regulations;*

   (d) *Marine Spark-Ignition Engine, Vessel and Off-Road Recreational Vehicle Emission Regulations;*

   (e) *Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations,*

   (f) *Heavy- duty Vehicle and Engine Greenhouse Gas Emission Regulations* or

   (g) Section 149 of the *Canadian Environmental Protection Act, 1999*.

Requirements under the Vehicle, Engine, Vessel and Machine Emission Regulations

3. Regulations listed in paragraph 2 apply to all companies in the business of manufacturing, distributing or importing (new or used) prescribed classes of vehicles, engines, vessels or machines for sale, and to all persons who import them for their own use.

4. The regulations require importers to submit importation declarations to ECCC, as follows:

   (a) For all commercial importation, the regulations set out the information that must be contained in the declaration and do not prescribe a special form. The information contained in the declaration can be provided in any format, as long as the prescribed information is included in a signed declaration that is submitted to ECCC prior to importation. More information on importation declarations is available at ECCC Website (refer to the above regulations).

   Any company that imports a high volume of regulated goods in a calendar year may provide the importation information on a periodic basis rather than for each importation event (i.e. bulk declarations). The volume threshold varies depending on the regulations. If choosing this option, a company must send a notice to ECCC to inform its intention to use bulk declarations. The CBSA's Single Window Initiative

(SWI) provides an alternate way to submit importation declarations, meaning that a separate declaration to ECCC is not required when using SWI.

(b) For importation of incomplete vehicles or engines pursuant to subsection 153(2) of CEPA, a company must submit to ECCC a declaration that contains the information referenced in the applicable regulations along with a statement:

i. from the manufacturer stating that, when the engine or the main assembly of the vehicle, vessel or machine is completed in accordance with instructions provided by the manufacturer, the vehicle, engine, vessel or machine will conform to the standards prescribed under the regulations; and

ii. from the company stating that the vehicle, engine, vessel or machine will be completed in accordance with the instructions provided by the manufacturer.

SWI provides means to meet this requirement, please refer to section Implementation of the CBSA SWI of this document.

(c) For personal importations, a person importing vehicles, engines, vessels or machines for their own use is not considered to be a company for the purpose of the regulations. However, there are regulatory requirements that must be met, which may include the submission of importation declarations directly to ECCC. The vehicles, engines, vessels and machines must also meet the applicable standards and bear prescribed labels. Please refer to the above regulations for further details.

5. In accordance with sections 153 and 154 of the *Canadian Environmental Protection Act, 1999*, no company or person shall import any vehicle, engine, vessels or machines unless:

(a) the vehicle, engine, vessel or machine conforms to the prescribed standards;

(b) evidence of such conformity has been obtained and produced in the prescribed form and manner;

(c) prescribed information relating to standards for emissions from the vehicle, engine, vessel or machine has been submitted;

(d) information is marked on the vehicle, engine, vessel or machine in accordance with the regulations;

(e) if required by the regulations, prescribed documentation or accessories accompany the vehicle, engine, vessel or machine;

(f) prescribed information relating to the operation or use of the vehicle, engine, vessel or machine is disseminated in the prescribed form and manner;

(g) records are maintained and furnished in the prescribed form and manner in relation to the design, manufacture, testing and field performance of the vehicle, engine, vessel or machine; and

(h) in the case of engines, the company maintains a registration system in the prescribed form and manner.

6. The import requirements apply to the following regulated vehicles, engines, vessels and machines:

(a) light-duty vehicles;

(b) light light-duty trucks and heavy light-duty trucks;

(c) medium-duty passenger vehicles;

(d) class 2B and class 3 vehicles;

(e) heavy-duty vehicles;

(f) heavy-duty engines;

(g) on-road motorcycles;

(h) passenger automobiles;

(i) light trucks;

(j) vocational vehicles;

(k) tractors;

(l) heavy-duty incomplete vehicles;

(m) off-road compression-ignition engines;

(n) off-road small spark-ignition engines rated up to 19 kW (25hp);

(o) Spark-ignited outboard engines, inboard engines and personal watercraft engines;

(p) a vessel, in which a fuel line or fuel tank is installed;

(q) snowmobiles, all-terrain vehicles, utility vehicles, and off-road motorcycles; and

(r) Incomplete engines and vehicles of the aforementioned regulated classes of vehicles and engines.

7. The implementation of the SWI enables importers to satisfy ECCC's requirements to file an importation declaration by integrating the declaration with other data submissions required by the CBSA and other participating government agencies (PGAs), through a single electronic portal utilizing the Integrated Import Declaration (IID). For additional information on the benefits of using SWI, please refer to the paragraph Implementation of the CBSA SWI below.

Exceptions

8. According to subsection 155(1) of CEPA, sections 153 and 154 do not apply in respect of the importation of any vehicle, engine, vessel or machine if:

   (a) the company or person importing the vehicle, engine, vessel or machine makes a declaration that the vehicle, engine, vessel or machine will be used in Canada solely for purposes of exhibition, demonstration, evaluation or testing;

   (b) the vehicle, engine, vessel or machine is in transit through Canada and is accompanied by written evidence establishing that the vehicle, engine, vessel or machine will not be sold or used in Canada; or

   (c) the vehicle, engine, vessel or machine is being imported exclusively for use by a visitor to Canada or by a person passing through Canada to another country.

Roles and Responsibilities of the Canada Border Services Agency

9. The CBSA assists ECCC in administering CEPA 1999 and its regulations as they relate to the commercial importation of vehicles, engines, vessels and machines.

10. The CBSA may detain vehicles, engines, vessels and machines under the authority of the *Customs Act* and refer them to ECCC for an examination or enforcement action either as a result of an ECCC request or when the border services officers find/determine suspected contraventions of CEPA 1999 and its regulations.

Roles and Responsibilities of ECCC

11. ECCC is responsible for the administration and enforcement of all ECCC legislation.

12. ECCC may identify to the CBSA certain goods that may contravene ECCC legislation or pose a potential risk to human health or to the environment. ECCC may request the CBSA to detain these goods at the time of importation.

13. ECCC enforcement officers may examine goods detained by the CBSA, review documentation related to the detained goods, and, when applicable or necessary, administer penalties under CEPA 1999. Please refer to the Penalties section of this document.

Implementation of the CBSA SWI

14. On March 29, 2015, the CBSA SWI launched a new IID release service option that allows importers and customs brokers (must be registered with the CBSA) to submit and obtain electronic release for goods regulated by PGAs.

15. As of March 23, 2017, importers of vehicles, engines, vessels and machines have an option to submit release requests to the CBSA electronically by using an IID (service option 911). The data elements required in the IID vary depending on the prescribed product(s) being imported and the applicable regulations. All of the data

elements (optional, conditional, and mandatory) included in the IID for the importation of vehicles, engines, vessels, and machines can be found in the Appendix B3.4 of the SWI IID Electronic Commerce Client Requirements Document (ECCRD).

16. ECCC will receive the IID information for each shipment. For more information about the SWI, please refer to the CBSA Web site – Single Window Initiative. The SWI IID ECCRD provides technical and system requirements information.

Using the CBSA SWI

17. When a SWI submission is received by the CBSA, the CBSA will transmit applicable data elements directly to the ECCC for their review and retention. This allows ECCC to receive the data in real time, allowing the department to engage with stakeholders as needed.

18. If importers use the SWI, they will not have to submit transactional or bulk importation declarations to ECCC, i.e., using the SWI will reduce the number of paper declarations to be submitted to ECCC and will facilitate and simplify compliance with regulatory requirements.

19. SWI also provides the added benefit of reducing the effort to produce mandatory annual reports required for certain regulations. The SWI optional data elements can be used to assist with the completion of ECCC's annual reporting requirements. This means that, if importers choose to provide information in those optional fields of the SWI, they will still have to provide an annual report to ECCC; however, the required data will be more easily accessible (e.g., data dump). Otherwise, importers would have to collect this information long after the importation has occurred.

Penalties

Administrative Monetary Penalty System (AMPS)

20. The Administrative Monetary Penalty System (AMPS) authorizes the CBSA to impose monetary penalties for non-compliance with the *Customs Act*, the Customs Tariff and the regulations under these Acts, as well as contraventions of the terms and conditions of licensing agreements and undertakings. Please refer to the Memorandum D22-1-1 Administrative Monetary Penalty System for details.

Penalties under Canadian Environmental Protection Act (CEPA)

21. The *Environmental Violations Administrative Monetary Penalties Regulations* (AMPs Regulations) designate violations under CEPA, and associated regulations, that may be enforced by means of an AMP. The AMPs Regulations also specify the method used to calculate the amount of an AMP, including baseline penalty amounts for different types of violations and violators, and aggravating factors that, if applicable, increase the amount of the penalty.

22. For information on operational aspects of the AMPs regime, please refer to "Policy Framework of the Administrative Monetary Penalty System at Environment and Climate Change Canada to Implement the Environmental Violations Administrative Monetary Penalties Act".

23. The following table represents the monetary penalty regime under the *Environmental Enforcement Act* that amends the fines, sentencing provisions and enforcement tools of six acts administered by ECCC, including CEPA.

Fine Regime under the *Environmental Enforcement Act*					
Offender	**Type of Offence**	**Summary**		**Indictment**	
		Minimum	**Maximum**	**Minimum**	**Maximum**
Individuals	Most serious offences	$5 000	$300 000	$15 000	$1 M
	Other offences	N/A	$25 000	N/A	$100 000
Small Corporations & Ships under 7500 t	Most serious offences	$25 000	$2 M	$75 000	$4 M
	Other offences	N/A	$50 000	N/A	$250 000
Corporations & Ships over 7500 t	Most serious offences	$100 000	$4 M	$500 000	$6 M
	Other offences	N/A	$250 000	N/A	$500 000

24. The courts may impose penalties in accordance with the penalty regime specified in CEPA, section 272 and onwards.

Additional Information

25. For further information concerning import requirements under the CEPA 1999 and its regulations, please contact the Regulatory Administration Section, Transportation Division, Environment and Climate Change Canada at ec.vehicleandengineinfo.ec@canada.ca or 819-420-4216.

26. The CBSA Border Information Service (BIS) line responds to public inquiries related to import requirements of other government departments, including ECCC. For more information within Canada, call the BIS at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064; long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time, except holidays). TTY is also available within Canada: **1-866-335-3237**.

References	
Issuing Office	Other Government Department Programs Unit Policy and Program Management Division Commercial Program Directorate Programs Branch
Headquarters File	TBD
Legislative References	*Canada Border Services Agency Act* *Customs Act* – *Canadian Environmental Protection Act, 1999*
Other References	Memorandum D22-1-1
Superseded Memorandum D	